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Advertising Age

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TBS-Gannett build ad package

Cross-media sports deal targeted at Xerox Corp.

By John McManus and Janet Meyers

Turner Broadcasting System and Gannett Co. are forging a dramatic new alliance to offer cross-media packages to marketers.

The two media companies recently pitched a multimillion-dollar cross-media ad package to Young & Rubicam, New York, and the agency is considering taking the idea to client Xerox Corp., said sources familiar with the pitch.

If such a deal is concluded, it would be the first significant cross-media package to be forged between separate national TV and print media.

The package TBS and Gannett are offering involves the sponsorship of a weekly Cable News Network-*USA Today* top 25 college sports poll. Results would be carried in both CNN's sports reports and *USA Today's* sports section.

If the package is approved, the poll will be launched during the first and second quarters of 1991, one source said.

Pat Haegele, senior VP-advertising for *USA Today*, said she recently participated in a presentation on the package to Y&R. She said the agency is expected to decide within a few weeks whether to propose the combination buy to a large client, which she declined to identify.

But other TV and advertising executives said Xerox is the target client and a package has been designed specifically for it.

Michael Kirby, Xerox's director of advertising and promotion worldwide, said he hasn't been approached about the plan but the concept seemed "very logical."

"We've worked with both media before, and I would certainly look favorably on anything that combines the two," Mr. Kirby said. "Conceptually, I have no problem with it; in fact, I welcome it. I would be receptive to looking at any multimedia package."

Paul Isacsson, exec VP-director of broadcast programming and

(Continued on Page 8)

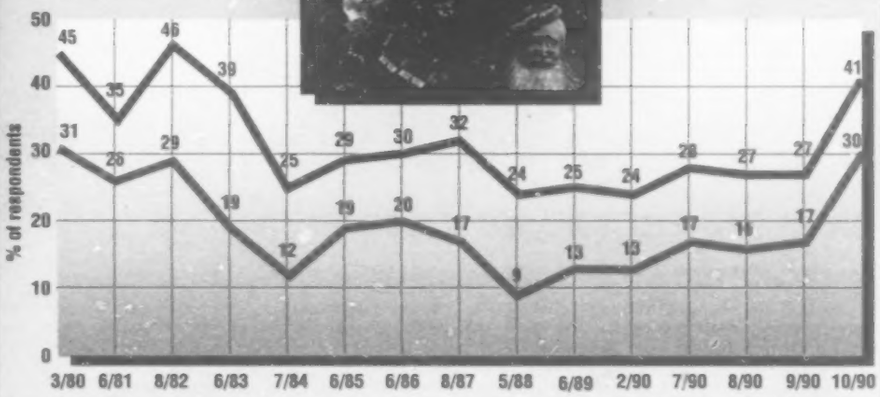
Consumer pessimism rises in the fourth quarter

Times are tough...

Forty-one percent of the people surveyed between Oct. 11-14 said they're financially worse off now than they were one year ago. That's the highest percentage level since 1982, when the U.S. was in the grip of a recession.

...and they're going to get tougher

Thirty percent of the people surveyed said they expect to be financially worse off in a year, the highest percentage of pessimism since March 1980.



Source: Gallup Organization surveyed 1,000 adults by phone.

Photo: Brooke Hummer/Chart: Cynthia Watson

Rushing the season

Dour consumers lead retailers to push early

An Ad Age roundup

Jittery retailers worried about plummeting consumer confidence and the Persian Gulf crisis are changing their pre-Christmas selling strategies this year.

What has retailers most worried are consumers. In the latest Gallup Poll, released last week, 41% of those surveyed said they're financially worse off now than they were one year ago. That figure represents a 14 percentage-point jump in only three weeks and is a level of pessimism not recorded by Gallup since August 1982, at the end of the last U.S. recession.

Thirty percent said they expect to be worse off financially a year from now, a 13-point jump in three weeks and a level of pessimism not recorded since 1980 and 1982, during the last recession.

"That suggests that psychologically, rightly or wrongly, many people feel we're in a recession," said Frank Newport, editor in chief of the Gallup Poll. "This is a world of self-fulfilling prophecies, and if people batten down the hatches and cut consumer spending, it just might help bring about a recession."

Some retailers hope to induce a premature holiday shopping season by putting out Christmas displays earlier than usual, looking to stir early sales and lessen the impact should sales

(Continued on Page 61)

Kraft GF shifts agencies, pay

By Julie Liesse

Kraft General Foods shifted $150 million in ad agency assignments last week and instituted a broad incentive-based compensation system.

The compensation plan is based on a brand's performance, a measure that some in the industry have considered to be unfair since factors in addition to advertising affect sales.

Kraft General Foods' initiative standardizes the way the company deals with its agencies on not only compensation but conflicts, and shifts accounts to fit a new category-based system of agency relationships. The reorganization completes the marketing merger of the two companies.

The most significant account change was the move of Maxwell House coffee's $80 million to $90 million U.S. and U.K. business back to Ogilvy & Mather. O&M lost Maxwell House to D'Arcy Masius Benton & Bowles last year.

Kraft General Foods dropped

(Continued on Page 58)

LAST MINUTE NEWS

MCI broadens review

NEW YORK—MCI Communications Corp. added Messner Vetere Berger Carey Schmetterer to its $51 million account review. Also pitching are incumbent Wells, Rich, Greene; BBDO Worldwide; and Levine, Huntley, Schmidt & Beaver, all here, and Hill, Holliday, Connors, Cosmopulos, Boston and here.

Time Warner plans on hold

NEW YORK—Time Warner suspended plans for spinoffs of *Time* and *Fortune* aimed at children, citing a soft advertising market. A *Fortune* spokeswoman said the idea for a spinoff aimed at high school students was well-received by the ad community, but "the climate just isn't right." She said the project might be revived later. A Time Warner spokesman described a similar scenario for the *Time* spinoff.

Doner eyeing VanSant?

BALTIMORE—W.B. Doner & Co. may be looking at buying another agency here. VanSant Dugdale has been seeking a buyer and has been talking

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'Big Green' ad battle builds in California Page 4 • **Ad agencies hurting in Middle East** Page 38

NEWS SUMMARY

■ **Kraft General Foods** shifted $150 million in ad assignments among its agencies and instituted an incentive-based compensation system. 1

■ **Turner Broadcasting System** and Gannett Co. have fashioned a cross-media ad package involving Cable News Network and *USA Today*. Young & Rubicam is reportedly considering it for Xerox Corp. 1

■ **False-advertising lawsuits** based on the RICO anti-racketeering statute will be challenged by Adolph Coors Co. and CPC International, both companies say. 3

■ **The frozen "healthy foods"** category is getting new entries from Kraft General Foods and ConAgra. 3

■ **Molson Breweries USA,** the nation's second leading beer importer, is reviewing its four agencies and may drop some of them. 3

■ **"Big Green,"** the environmental initiative on California's Nov. 6 ballot, is being challenged with a heavy ad campaign backed by chemical and oil companies. 4

■ **Continental Airlines** has delayed the start of a $20 million image ad campaign. 4

■ **Young & Rubicam** has replaced its "whole egg" approach to servicing clients with "strategic partnership." 6

■ **Pledge Household Cleaner** is in test markets, positioned against Murphy's Oil Soap. 17

■ **Kraft Microwave Entrees** are gradually moving national, further crowding the shelf-stable meals category. 20

■ **Direct marketing** volume in Australia is growing up to 30% a year, while media advertising lags. 39

■ **Tobacco advertising** dropped from the list of top 10 ad revenue producers for magazines in September for the first time in more than 20 years. Overall magazine ad pages fell 4.5% for the month. 42

■ **Television news** is being sold by some stations to cable operators and broadcast on competing stations. 43

■ **Two "Omni" editors** quit following publication of the November issue, which featured a die-cut cover that revealed a hologram on Page 3 that was part of a Motorola ad. 54

■ **Yellow Pages** publishers are studying ways to establish more effective recycling programs for their directories, which account for an estimated 2% of all U.S. garbage. 54

■ **NBC's Olympics** promotions for the 1992 Summer Games pay-per-view package will involve six ad agencies. 55

■ **National Advertising Division's** September cases included two involving US Sprint. The company agreed to modify one campaign; the other was substantiated. 55

■ **American Enviro Products** is marketing Bunnies-Plus diapers after 10 states objected to its "biodegradable" claim for Bunnies diapers. 57

■ **Airline fare advertising** isn't subject to state regulation, the U.S. Supreme Court affirmed. 57

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Yellow Pages group to fight N.J. ad tax

By Steven W. Colford

The board of the Yellow Pages Publishers Association last week voted to challenge in court New Jersey's imposition of a 7% sales tax on directory advertising.

This initial step toward forcing a court ruling on the constitutionality of a state tax on commercial speech was taken at the group's annual meeting in Palm Springs, Calif.

"We believe the tax has no rational basis as it applies to one advertising medium and will challenge it on that basis," said Don MacKenzie, YPPA board member and chairman of the association's public policy committee.

The specific grounds for a legal challenge won't be determined until a law firm and a specific legal strategy are chosen, Mr. MacKenzie said. But he acknowledged the YPPA had received several legal opinions suggesting that violation of the First Amendment might be a possibility.

Mr. MacKenzie, who's also president-ceo of Nynex Information Resources, said he hopes the suit will be filed by yearend in state court in New Jersey. He declined to say whether the board's vote meant the legal challenge would go all the way to the U.S. Supreme Court.

"It's safe to say that YPPA agreed to take step one, state court, but not beyond that because we don't have to worry about any more than that now," he said.

New Jersey and Oklahoma are believed to be the only states with a current sales tax on directory ads. The Oklahoma tax, reaching back several decades, was enacted as a broad tax on newspaper, magazine and broadcast ads, Mr. MacKenzie said, and was scaled back over time to apply only to directories.

He said the YPPA doesn't plan to challenge the Oklahoma tax.

"The New Jersey tax is more challengeable," he said.

Various other industry and media groups have been actively involved with the YPPA in fighting the New Jersey tax, which took effect July 1. Some of them are considered likely to join in the suit.

"I think there's a strong likelihood that we might want to do so," said Hal Shoup, exec VP of the American Association of Advertising Agencies. "Any taxing of advertising at any state—or even local—level is a matter of concern and establishes what we would consider a dangerous precedent.

"We might do it in conjunction with other groups or unilaterally."

When Florida implemented a 5% tax on all local and national advertising in 1987, various ad groups sued. The legal challenges were withdrawn after Gov. Bob Martinez and the state Legislature repealed the tax under considerable pressure from voters and business.

Many of those suits raised questions of whether government can tax commercial speech and whether a state tax on advertising violates the due process and interstate commerce clauses of the Constitution. □

Finding Nielsen glitch

Nets cite sample for disputed ratings shortfall

By Wayne Walley

The Big 3 TV networks believe they've uncovered a major cause of the first-quarter drop in TV use reported by Nielsen Media Research.

Executives at ABC, CBS and NBC said last week an independent, six-month study by the Committee on Nationwide Television Audience Measurement detected "a leading contributor to misreporting" Nielsen data.

"The problem is with a fundamental characteristic of the sample," said Nicholas Schiavone, VP-media and market research for NBC and chairman of Contam, a committee of representatives from the Big 3 and the National Association of Broadcasters. "If a correction had been made, you might not have seen the steep declines.

"This is something Nielsen should have seen. It's an error and a systematic flaw that should have never gone out of whack."

Mr. Schiavone and network executives declined to provide more details but said the study's findings would be made public within two to four weeks.

A Nielsen spokesman said the company couldn't comment until it had reviewed the findings.

Contam's discovery explains the drop in household TV use and provides a "good indication" the same cause affected TV viewing levels of key demographic groups, Mr. Schiavone said.

The unexplained drop in reported TV use during the first quarter and ensuing ratings shortfall forced the networks to give away an estimated $150 million worth of inventory in makegoods to advertisers.

The networks blamed Nielsen, alleging faulty methodology, but offered no evidence to support their claims at the time. Nielsen maintained an internal investigation proved nothing was amiss.

TV use has since returned to expected levels.

The networks and Nielsen are expected to meet sometime in the next two weeks to discuss the Contam findings before Contam shares the results with other Nielsen clients.

The Nielsen response could have a bearing on the future relationship between the ratings company and its key network clients. The networks' contracts with Nielsen expired in September but remain in force until a network either cancels or renews.

Nielsen has already presented the networks with proposals for various improvements to the people-meter system and the costs associated with changes as part of a new contract, but little progress has been made.

"We've been back and forth trying to set up a meeting to pick the elements that make sense and those that don't," said David Poltrack, senior VP-planning and research for CBS.

He said Nielsen's proposals include experimenting with multiple panels and tracking viewing in vacation homes.

Mr. Poltrack said he expects the networks and the ratings company to come to some form of agreement on a new contract soon.

Some network executives privately said they're also disappointed with Nielsen's lack of response to Contam's set of guidelines issued last month (AA, Sept. 24). Those call for a broad-based structure with more resources devoted to measurement and a range of studies that don't require regular measurement but give insights into the dynamics of TV viewing. □

Nissan starts regional plan

By Cleveland Horton

When Nissan Motor Corp. USA begins its 1991 model-year advertising today, it starts an unprecedented experiment in regional marketing.

The estimated $100 million regional budget, previously directed by Nissan headquarters in Carson, Calif., will now be spent at the discretion of the company's 11 regional general managers.

"We've been building [the regional reorganization] for two years," said Brian Barrett, Nissan's national manager-regional marketing. "All eyes of the corporation are on it."

"With this [new arrangement], we'll be able to react much faster and bring more dealer input in," he said.

The first bits of regional advertising will start today, coinciding with Nissan's national ads. For example, Philadelphia dealers will begin with a cross-promotion with Coca-Cola Co.

This new regional approach is central in the effort to turn around Nissan's slumping sales, down 6.4% in the just completed model year. In the first nine months of 1990, Nissan's share (excluding Infiniti) of the 7.2 million-unit U.S. car market dropped to 4.7% from 5.2%. Its share of the slumping 3.6 million-unit light-truck market, however, rose to 3.8% from 3.4%.

But sales are only part of the goal. The region

(Continued on Page 6)

Crowded shelves

Kraft rolls into growing shelf-stable category

By Julie Liesse and Judann Dagnoli

Kraft General Foods is rolling national with shelf-stable entrees, as retailers wonder if the category ever will live up to its potential.

The company has already moved Kraft Microwave Entrees into 17 new markets around the U.S., including Chicago, Pittsburgh and Colorado Springs, Colo.—everywhere but the West Coast and New England.

Kraft General Foods is telling retailers the product will be national early next year, supported with an estimated $20 million campaign.

The product is a reformulated version of Impromptu, introduced in test markets by General Foods USA four years ago. General Foods slowly expanded Impromptu into eight markets, and the new line will be in those markets by Nov. 1, retailers said.

Kraft General Foods executives and agency Grey Advertising, New York, refused to comment.

Kraft Microwave Entrees seem destined to affect Top Shelf, the Geo. A. Hormel & Co. line that pioneered the shelf-stable meals category in 1986.

The category, including tray, tub and pouch-packaged foods, is now at $240 million and could reach $400 million by yearend, said Katherine Roberts, a consultant with researcher Find/SVP.

The new product is packaged in a recyclable tray, which some retailers say will give it an advantage with consumers; Impromptu was in a domed plastic container slipped into a cardboard sleeve.

Priced at $1.99 to $2.69 in varieties very similar to Hormel's product, the Kraft line is already forcing Top Shelf to drop its prices, retailers report. In some markets, including Chicago, retailers are dropping some or all of the 14 Top Shelf varieties to make room for Kraft's products.

"Sure, we're worried, in the sense of maintaining our market position," said Rick Bross, director of marketing for Hormel's prepared foods division. "But we're glad Kraft's coming, because it endorses the concept of shelf-stable meals and should help solidify the concept with the trade and consumers."

Still, he said, with the introduction of Dial Corp.'s Light Balance and now the Kraft entry, "The number of new [products] is outstripping any reasonable activity to keep up in terms of shelf space."

Hormel will break a new Top Shelf TV and print campaign, sans spokesman Dick Cavett, from BBDO Worldwide, Minneapolis, in November, Mr. Bross said. The company last year spent a little more than $10 million on measured media for Top Shelf, according to LNA/Arbitron Multi-Media Service.

"Top Shelf is an important product for Hormel, and I'm sure they'll defend it aggressively," said Timothy Ramey, an analyst with County NatWest Securities USA analyst. "If shelf-stable truly is a no-growth category, Kraft will win a head-to-head battle. But if there's real category growth, I don't see why there

(Continued on Page 55)

Shelf-stable list grows

Researchers estimate the market for shelf-stable meals will hit $400 million by yearend 1990, up from $240 million in 1989. Doesn't include canned foods.

Product	Marketer	Distribution	Annual sales
Top Shelf/MicroCup	Hormel	National	$85M
Chef Boyardee	American Home Foods	National	$46M
Lunch Bucket/Light Balance	Dial	National	$43M
Kraft Microwave Entrees	Kraft General Foods	Rolling national	$7M
My Own Meal	My Own Meals	Mostly national	N/A
Progresso To:Go	Pet	3 test markets	$1M

Source: Advertising Age estimates

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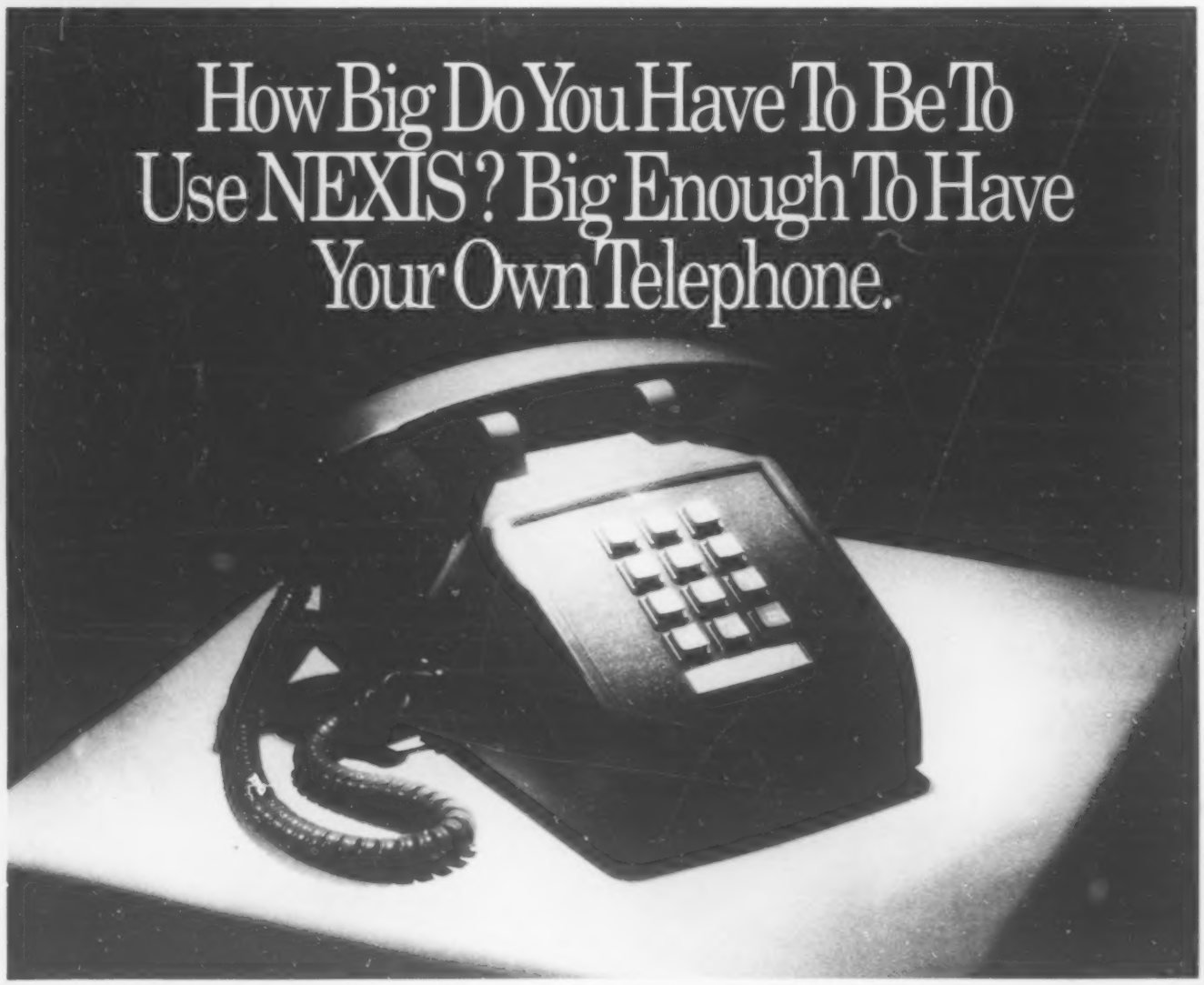

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COMMUNICATIONS MARKETING

900 numbers and Caller ID make for interesting sideshows, but the real war is an unrelenting salvo of ads

Edited by Adrienne Ward

Hello? Is anybody listening?

Astonishing amount of advertising bombards consumers, who don't seem to be responding

By Kate Fitzgerald

The Big 3 long-distance carriers have been going after each other for a year now with all the subtlety of pit bulls wearing pinstripes.

Despite a big increase in ad spending, market share figures indicate they're still getting the same piece of the bone as when their fighting started.

While there's no end in sight to the battle, phone marketers contend that they would like to shift into a softer, less attack-dog tactic.

For now, however, they are going full guns with comparative advertising.

Never before have consumers been bombarded by so many TV campaigns about telephone use, using tactics that range from warmth and humor to seriousness, direct comparisons and downright intimidation.

The result is that advertising spending by the major players in the category—AT&T Co., MCI Communications Corp. and US Sprint Communications Co.—has increased significantly from last year's levels (*see chart at right*).

But the inflated spending hasn't done much to alter the companies' market share. AT&T still controls about 70% of the $55 billion long-distance telephone industry in the U.S., followed by MCI with about 16% share and US Sprint with about 10%, according to sources at the companies.

Analysts say market share hasn't shifted visibly because the long-distance telephone market changes slowly.

Also, the recent brisk pace of counter-advertising by rivals has offset the effects of increased media spending by any single player.

"Since heavier marketing efforts by long-distance phone marketers began, market share data has lagged behind. We have yet to see any major market share shifts," says George Dellinger, a telecommunications analyst with County NatWest USA. "Also, whenever AT&T steps up advertising, MCI and Sprint tend to follow."

Growth in the telecommunications market has come from higher usage of long-distance telephone services by the growing U.S. population, along with increased facsimile transmission over phone lines and an explosion in the number of cellular telephones, Mr. Dellinger says.

"What's happening is that all the players are advertising more in order to keep pace," he says.

That trend has been a boon for ad agencies, which are scrambling to meet the demand for more—and better—advertising.

Although advertising from the top three companies has evolved into a bitter comparative ad war based on rude sniping and put-downs of competitors, marketing and ad directors claim they want to move away from the back-biting.

"You can win the battle by being more creative and by being smarter. The guy with the most guns doesn't always win," says Jorge Rodriguez, VP-advertising and direct marketing at Sprint. "All along Sprint has been willing to 'put it in writing' 30 different ways," he says in reference to the highly effective AT&T campaign that was launched last May via N W Ayer, New York.

Mr. Rodriguez says it was never Sprint's long-term goal to become entangled in a shouting match.

"Responding to AT&T was a short-term plan. All along we had a much bigger idea in mind, and we will continue to take a higher road toward more creative approaches," he says.

To prove the point, on Oct. 8 Sprint broke a new network and national spot TV campaign via J. Walter Thompson USA, San Francisco, that features Candice Bergen and introduces a new theme line, "Sprint has a better way."

According to LNA/Arbitron Multi-Media Service, Sprint spent $29.3 million on long-distance consumer, business and overseas advertising, an increase of 55.9%.

However, Sprint's new campaign still features a direct comparison with AT&T, so clearly the trench warfare among the various telephone marketers is far from over.

While Candice Bergen chimes, "Sprint has a better way," AT&T continues to hammer at consumers to "Get it in writing."

AT&T's attacks on its competitors also continue with fresh executions of the "Get it in writing" effort expected to air by yearend.

Despite this aggressiveness, AT&T says its game plan remains producing "honest, straightforward advertising that entertains," says David Robertson, director of consumer advertising for the No. 1 long-distance marketer.

"We have to stay out in front by concentrating on what our customers are thinking, not on what our competitors are thinking. We're in constant dialogue with consumers in focus groups, and what they say goes directly into our advertising," he says.

For the first half of the year, AT&T spent $146.7 million in nine measured media for long-distance advertising, an increase of 38.9% from the same period in 1989, according to LNA/Arbitron.

Another key factor in AT&T's strategy is its close, long-term relationship with its ad agencies. AT&T's shops include Young & Rubicam, Ogilvy & Mather and McCann-Erickson, all New York, in addition to N W Ayer.

MCI currently is looking for additional ad agency help. In September, the company announced plans to review its estimated $51 million account, currently handled by Wells, Rich, Greene, New York.

Agency sources say MCI is likely to split its account between two agencies to gain more creative leverage, but Judy Ranzer, director of advertising, refuses to comment on the speculation.

MCI's strategy is to woo new customers with advertising that's "warm, human and friendly," she says.

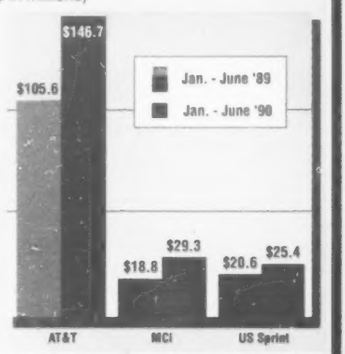
According to LNA/Arbitron, MCI has increased its long-distance ad spending 23.4% to $25.4 million for the first half of the year.

"When your competitors outspend you as massively as AT&T does, you have to be clever in order to break through the clutter of their advertising," Ms. Ranzer says.

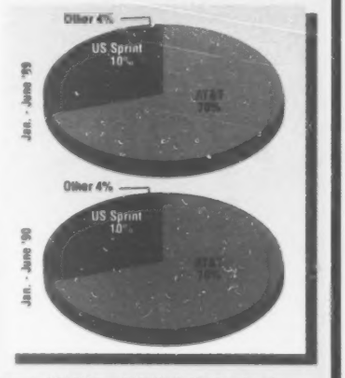
"The response we get to our advertising is very positive—that's why we went from zero in 1980 to an $8 billion company today, and we did that by taking market share from AT&T," she says. "We'll continue to do that." □

Ad dollars soar dramatically...

Long-distance telephone ad spending ($ in millions)



...while market share stays put



Sources: LNA/Arbitron Multi-Media Services for ad spending; industry analysts and company sources for market share.

Note: Long-distance ad figures include consumer, business and overseas; figures for US Sprint include GTE spending.

CYNTHIA WATSON

MEDIAWORKS

SEPTEMBER AD RESULTS

Tobacco ads burn away

By Scott Donaton

September may have marked the beginning of the end of tobacco as a leading ad category in magazines.

Tobacco revenues fell 15.9% to $25.4 million for the month as the category dropped from Publishers Information Bureau's top 10 for the first time in more than 20 years.

Magazine advertising overall continued its downslide. Ad pages fell 4.5% in September, leaving PIB-tracked titles down 3.3% after nine months.

Tobacco finished 11th for the month and after nine months was in eighth place overall with $223.8 million in revenues, a 26.3% decline from the same period last year. The category's September performance seemed to confirm publishers' fears that tobacco spending will continue to decline and permanently disappear from the top 10 in the coming years.

Tobacco rose to be magazines' leading category in the 1970s, as TV advertising was banned. Its recent decline coincides with the nation's growing anti-smoking sentiment and congressional efforts to ban tobacco advertising in all media.

September brought good news from automotive, the current leading category. Automotive revenues rose 30.4% to $68.6 million for the month, the third consecutive monthly gain for the category. The boost left automotive virtually flat after nine months, with revenues up a slight 0.24% to $626.4 million.

The ad page slump continued to take its toll on weeklies. *Business Week* held onto the top spot with 2,845.15 ad pages, down 8.2% from the first three quarters of 1989.

Forbes' ad pages continued to rise, totaling 2,485.10, up 4.8%. *Fortune* was down 9.2% with 2,320.36 ad pages.

Time's ad pages fell 3.1% to 1,793.96 through September. Its sister weeklies, *People* and *Sports Illustrated*, posted declines of 6.3% and 12.7%, respectively. *People* carried 2,494.61 ad pages for the period, while *Sports Illustrated* carried 1,806.71.

Time Warner's monthly *Life* was down 10.8% with 482.34 ad pages. Despite the decline and overall problems weeklies have had this year, Time Warner is moving ahead with plans to test a weekly version of *Life*.

Newsweek, with 1,542.73 ad pages, was down 4.8%. *U.S. News & World Report*, boosted by a strong September performance, was down just 0.5% after nine months, with 1,324.73 ad pages.

TV Guide carried 2,186.78 ad pages through September, down 9.4%. And, after a strong first half, *The New Yorker* saw its pages fall 0.6% to 1,472.83.

The health field, one of the fastest-growing magazine categories of the 1980s, is looking a little pale after the first three quarters of 1990. *American Health's* ad pages dropped 41.3% through September to 327.78. *Health*, with 290.45 ad pages, was down 1.2%, and *Prevention's* 418.34 ad pages were down 10% from the same period last year.

GQ remained the ad page leader in the men's field despite an 11.2% decline to 1,403.82 ad pages. *Esquire*, with 879.72 ad pages, was off 1.5% through September. *Playboy* carried 505.51 ad pages for the period, a 6.6% decline, while *Penthouse*, with 467.95 ad pages, was up a slight 0.3%.

M Inc., the merged *M* and *Manhattan,inc.*, carried 151.67 ad pages in September, up 11.8% from the combined totals of both magazines for the same month last year. In the first nine months, the magazines together carried 620.25 ad pages, down 1.3%.

Not all magazines are singing the blues this year. Titles showing gains include: *The Economist* (1,953.38 ad pages, up 15.3%); *Conde Nast Traveler* (732.07, up 15.1%); *Cooking Light* (295.03, up 14.9%); *The Atlantic* (475.41 ad pages, up 13.3%); *Business Month* (315.37, up 13%); and *Art & Antiques* (553.24 ad pages, up 8%). □

Wayne Walley coordinates MediaWorks.

Magazine ad page leaders

Publishers Information Bureau figures for January-September 1990.

Rank	Magazine	Pages	% chg	Dollars	% chg
1	Business Week	2,845.15	(8.2)	160,326,035	(5.9)
2	People	2,494.61	(6.3)	235,476,537	2.8
3	Forbes	2,485.10	4.8	108,139,559	11.3
4	Bride's	2,354.94	(0.8)	41,814,684	7.1
5	Fortune	2,320.36	(9.2)	111,347,345	(2.3)
6	TV Guide	2,186.78	(9.4)	236,131,981	(1.3)
7	Vogue	2,159.14	(11.2)	78,218,413	8.6
8	The Economist	1,953.38	15.3	16,995,384	30.1
9	Modern Bride	1,892.42	3.1	30,851,147	8.9
10	Sports Illustrated	1,806.71	(12.7)	227,289,831	(2.3)
11	Time	1,793.96	(3.1)	246,748,515	(1.4)
12	New York Magazine	1,774.58	(14.5)	28,759,371	(9.1)
13	Elle	1,590.63	(0.4)	47,027,305	8.8
14	Cosmopolitan	1,578.02	(8.6)	94,341,991	1.9
15	Newsweek	1,542.73	(4.8)	170,638,646	3.1
16	Entrepreneur	1,504.95	10.2	14,450,795	35.1
17	The New Yorker	1,472.83	(0.6)	37,849,662	12.6
18	GQ	1,403.82	(11.2)	34,220,045	(2.2)
19	Glamour	1,375.27	(6.5)	69,992,476	4.1
20	Rolling Stone	1,351.60	(3.0)	50,458,141	2.7
21	U.S. News & World Report	1,324.73	(0.5)	105,721,620	7.0
22	Architectural Digest	1,306.54	4.2	34,839,841	11.8
23	American Way	1,273.38	(3.6)	17,425,033	19.9
24	Good Housekeeping	1,224.98	6.3	116,537,952	15.2
25	Family Circle	1,218.11	(16.0)	99,365,045	(7.9)
26	Yachting	1,213.78	(3.7)	7,556,145	(1.1)
27	Mademoiselle	1,153.90	(6.9)	37,538,123	2.8
28	Skin Diver	1,118.55	6.2	10,525,439	13.4
29	Sunset	1,084.30	(3.7)	33,383,151	2.2
30	Ladies' Home Journal	1,073.88	(4.4)	77,601,704	6.7
31	Town & Country	1,069.97	(1.5)	25,878,029	11.9
32	Parents	1,016.38	(4.4)	41,415,132	(0.9)
33	Golf Digest	1,006.93	(3.8)	51,566,669	2.3
34	Harper's Bazaar	996.65	(6.6)	26,704,047	2.7
35	Seventeen	994.53	(7.8)	30,016,758	(3.5)
36	Travel & Leisure	990.89	(4.6)	40,843,243	13.2
37	Woman's Day	984.87	(18.2)	71,448,356	(18.7)
38	W	982.55	(10.8)	22,576,102	2.2
39	Texas Monthly	981.32	3.5	11,086,037	6.2
40	Car & Driver	965.70	1.6	36,710,807	(3.8)
41	Vanity Fair	961.08	(1.1)	33,583,749	23.8
42	Self	947.83	(2.7)	35,231,890	15.4
43	Muscle & Fitness	933.76	(19.8)	16,007,466	(10.0)
44	Southern Living	931.58	(7.2)	47,299,388	2.5
45	Better Homes & Gardens	909.92	(11.1)	103,036,505	(5.4)
46	Popular Photography	905.91	18.9	21,706,874	34.2
47	Golf Magazine	900.88	(5.6)	30,184,553	13.7
48	Salt Water Sportsman	889.74	(18.9)	5,708,105	(12.1)
49	Esquire	879.72	(1.5)	27,819,026	8.7
50	Money	876.74	(0.7)	54,487,369	2.2
51	Gourmet	860.29	4.8	23,014,815	15.6
52	Redbook	853.43	(1.7)	54,135,819	2.9
53	San Francisco Focus	841.82	(7.0)	5,573,190	2.6
54	Road & Track	835.57	(8.5)	24,803,091	(13.2)
55	Metropolitan Home	814.83	(7.9)	26,024,789	3.3
56	Bicycling	796.30	(15.9)	11,129,096	(1.0)
57	Country Living	794.82	(2.4)	31,862,048	2.1
58	Inc.	784.24	(5.6)	32,195,102	1.8
59	Ebony	779.07	(10.9)	27,558,738	(1.9)
60	Reader's Digest	775.99	0.5	80,847,777	2.3
61	Jet	769.91	(8.5)	13,024,608	(1.7)
62	Mirabella	751.68	89.0	12,232,695	185.1
63	Financial World	751.32	37.7	17,570,811	65.5
64	Four Wheeler	745.40	(0.4)	5,922,771	7.5
65	Working Woman	735.45	(9.9)	22,983,409	(0.2)
66	Conde Nast Traveler	732.07	15.1	20,531,897	37.5
67	Bon Appetit	728.51	3.5	22,170,955	7.3
68	House & Garden	719.96	9.8	18,067,893	15.4
69	McCall's	705.03	(13.6)	52,256,423	(4.4)
70	Black Enterprise	699.70	1.9	9,340,903	11.7
71	Smithsonian	677.98	(5.7)	29,042,066	(3.5)
72	New Woman	673.09	(10.6)	16,525,812	(5.8)
73	Motor Trend	668.67	(10.0)	24,088,440	0.7
74	Essence	650.10	(2.2)	16,408,547	12.1
75	Delta Sky	630.77	(6.5)	15,730,765	(2.4)
76	M Inc.	620.25	(1.3)	7,466,741	6.1
77	Hot Rod	613.37	(24.6)	14,770,447	(18.2)
78	Entertainment Weekly	611.22	—	12,871,542	—
79	Outdoor Life	605.71	(16.4)	18,689,188	(10.2)
80	Field & Stream	605.17	(15.0)	26,294,304	(13.0)
81	Sports Afield	597.59	4.1	11,668,203	11.7
82	Popular Mechanics	592.28	(14.4)	19,137,941	(12.9)
83	Tennis	577.60	(8.8)	19,609,629	38.4
84	California	559.01	8.9	8,000,574	16.8
85	Popular Science	558.19	(25.5)	15,885,365	(23.4)
86	Art & Antiques	553.24	8.0	3,270,984	20.6
87	Yankee	552.78	3.3	6,642,757	12.4
88	Premiere	548.25	4.7	9,814,997	29.0
89	Working Mother	540.95	(12.5)	12,581,134	3.1
90	Bass Master	539.15	(17.2)	10,738,275	(3.8)
91	Parenting	535.16	20.6	9,393,870	58.7
92	House Beautiful	531.50	(9.1)	19,529,943	(0.3)
93	Southern Accents	524.10	(5.2)	5,236,415	3.8
94	1,001 Home Ideas	518.60	1.0	14,632,588	9.3
95	US	506.94	(4.9)	14,833,950	(5.8)
96	Playboy	505.51	(6.6)	33,807,452	2.3
97	Connoisseur	493.27	(22.1)	8,697,602	(12.4)
98	National Journal	491.83	(6.0)	3,316,125	1.0
99	Food & Wine	487.26	(6.3)	11,568,120	(1.0)
100	Home	483.97	(7.8)	13,371,928	(1.9)

Percent change compares January-September in 1990 with 1989. Source: Publishers Information Bureau

Men's Health®
AMERICA'S FASTEST GROWING HEALTH MAGAZINE
A Rodale Press Publication. Contact Michael Rooney, 708 Third Ave., New York, NY 10017, 212/697-2040.

NBC, shops set Olympian effort

By John McManus

NEW YORK—"The fire behind the flame" umbrella theme for NBC's 1992 Summer Olympics pay-per-view package was created by N W Ayer, but that's just the beginning of agency involvement.

DDB Needham Worldwide, Chicago, will produce the multimedia image and awareness campaign for the package, while Ayer and Della Femina, McNamee will do campaigns for two separate target audiences.

That's not all. Saatchi & Saatchi Advertising's marketing services unit will handle direct response advertising to support Ayer's work, and Communications Diversified will do direct response to support Della Femina's work.

And D'Arcy Masius Benton & Bowles will handle media placement.

Behind this $40 million, 17-month marketing flurry is a $200 million gamble that the shops will create enough sizzle to attract audiences who normally watch the Olympics for free.

In fact, some coverage will still be free. NBC plans to broadcast 160 hours of free programming from the Games in Barcelona, more than ever before.

But the pay-per-view package, tentatively dubbed the "NBC Olympics Triplecast," offers cable subscribers a three-channel special of 600 more hours of live and taped coverage for $149.95.

"The Olympic spirit is the brand," said Marty Lafferty, NBC's VP-Pay-Per-View Olympics. "We're literally selling the Olympics as a brand. . . . We're thinking of it in terms of what intensification of the attractiveness of the Olympics experience is needed to get you to act."

Mr. Lafferty and two other NBC executives will be responsible for coordinating the agencies' efforts.

NBC's agency lineup for Olympics pay-per-view

- **DDB Needham Worldwide**
  Image awareness campaign
- **N W Ayer**
  Holiday gift-giving "Emotional" campaign
- **Saatchi & Saatchi Marketing Services**
  Direct response on holiday gift campaign
- **Della Femina, McNamee**
  Sports fan campaign
- **Communications Diversified**
  Direct response on sports fan campaign
- **D'Arcy Masius Benton & Bowles**
  Media placement

NBC paid $401 million for broadcast and cable TV rights for the Games. Of that amount, $100 million was allocated for pay-per-view rights, Mr. Lafferty said. The pay-per-view package's total cost will be about $200 million, he said.

"We'd be happy to break even on this one," Mr. Lafferty said.

First, NBC must woo cable operators to clear channel space for the two-week event. One top 10 operator, Cablevision, is a shoo-in, since the company is a partner in the venture with NBC.

NBC hopes to attract 2.5 million viewers and has segmented potential subscribers into two groups.

Ayer and Saatchi are targeting a broad-based segment for whom NBC says the Olympics hold a deep-rooted emotional appeal. Ads will promote buying the package as a holiday gift.

Sports enthusiasts will be targeted by Della Femina and Communications Diversified.

All the agencies will split $40 million allocated for mark ing costs on a fee basis, and si the event is a one-shot campai the shops consider the assignm a no-lose situation.

Still, some TV and agency ex utives say the multiagency proach could wind up in turf w and confusion.

Officially, at least, the shops volved see no problems w crossed signals or overzeal egos.

"No one's pretending that is a common relationship," s Joe Aniello, a management sup visor at Saatchi. "To get int power struggle among oursel could impact the potential pay-per-view as a business yond the NBC event.

"But if we pull it off as a te we would be viewed in the ind try as the team of agencies made this unique thing work. A the business returns into the ture could be tremendous." □

Sprint splits in double-header with NAD

By Janice Kelly

NEW YORK—US Sprint won one and lost one in separate actions before the National Advertising Division last month.

In its September report, the self-regulatory arm of the Council of Better Business Bureaus took issue with a direct mail promotion for Sprint Dial "1" basic rates and Sprint Plus discount rates, but found the long-distance service had substantiated ad claims for its Foncard service.

Sprint's direct mail and airline-ticket folder promotions, created by Devon Direct Marketing & Advertising, Malvern, Pa., were challenged by AT&T Co. for stating, "When you come over to US Sprint Dial '1' service, you'll save on every call over AT&T," and for claiming Sprint offered "Savings around the clock over AT&T's card."

Sprint conceded not every call produced savings. NAD required the "savings on every call" claim be limited to comparing Sprint's basic rates with AT&T's basic interstate service.

NAD also noted that the "save around the clock" claim referred to discounts and recommended future ads make this clear. It also asked that future comparative savings claims between Sprint Plus and AT&T basic service identify clearly just which users will benefit from Sprint Plus.

Sprint agreed to make the recommended clarifications.

In another case brought after a consumer complaint to the Better Business Bureau in Phoenix, Ariz., NAD said Sprint had substantiated a revised Foncard ad claim in a direct mailing that offered new customers "30 free minutes of Foncard long distance."

Sprint revised its Foncard application form before the original ad was challenged.

Other ad claims discontinued or modified:

Denny's (Flintstones Fun Meals premium; D'Arcy Masius Benton & Bowles): NAD's Children's Advertising Review Unit questioned a TV spot that showed Flintstones minicars as a premium toy offered with Denny's Flintstones Fun Meals. CARU said the commercial focused on the premium because it didn't show the meals. Denny's disagreed, saying the premium wasn't shown until the last frame. Although the spot was no longer in use, Denny's agreed to include a product shot in future similar spots.

Topps Co. (baseball cards; Tarlow Advertising): Leaf Inc., marketer of Donruss baseball cards, challenged a Topps TV spot that claimed, "The two Topps baseball cards I bought for 6¢ are already worth $3" and "Topps . . . preferred by professional baseball card collectors . . . and professional kids." Leaf questioned the preference claims.

NAD ruled that Topps' research didn't support the preference claim for professional card collectors and suggested a different wording for children's survey results. Topps agreed to reword future ads to specify more children card buyers prefer Topps "over any other brand." It also agreed not to say professional collectors "preferred" Topps cards. The value increase claims were substantiated.

Lever Bros. (Sunlight dishwashing detergent; BBDO Worldwide): Colgate-Palmolive Co. challenged several magazine ads, TV spots and free standing inserts claiming, "Sunlight, the only brand with real lemon juice." Colgate claimed some Sunlight dishwashing detergents contain little or no lemon juice.

NAD concluded Lever's data substantiated the "real lemon juice" claim in automatic dishwashing powder and hand dishwashing liquid ads but not for the automatic dishwashing liquid ads. Lever said it will delete the lemon juice claim in future automatic dishwashing liquid advertising and packaging.

Kellogg Co. (Frosted Flakes cereal; Leo Burnett USA, Chicago): CARU criticized a TV spot entitled "Kickball." The commercial implied a boy who had been rejected was later accepted on a kickball team after eating Frosted Flakes. Kellogg disagreed, claiming Tony the Tiger inspired the boy to do his best and he was accepted solely for his ability.

But Kellogg told CARU the TV spot had completed its flight and the marketer doesn't intend to run it again.

American Airlines (non-stop serv to Hong Kong; Bozell): United Airli challenged newspaper, trade magaz and direct mail ads that claim "American Airlines to Hong Kong the only non-stop from Los Angel and "You'll fly to Hong Kong on a operated by Cathay Pacific Airways

NAD was concerned the ads m tioned Cathay Pacific only once, some claims might imply the non-s Hong Kong service was exclusive American Airlines. In future a American said it would take into c sideration NAD's concerns over placement of Cathay Pacific in b copy, and over clarifying the relati ship with Cathay Pacific.

Adolph Coors Co. (Coors beer; Fo Cone & Belding, Chicago): Anheus Busch Cos. challenged claims in ne paper, radio and TV ads that Coor made entirely from Rocky Mount spring water. NAD noted that so Coors beer is sent to Virginia to blended with local water, and rec mended the claim be revised. Coors agreed but agreed to review the c mercial with a view to modification.

SmithKline Beecham Consur Brands (Ecotrin coated aspirin; house, consumer-directed; Lave Wolff/Swift, New York, professio directed): Sterling Drug challenged s eral FSIs promoting the value of Eco for relief of arthritis pain with claim: "Better than Bayer because E trin is safety-coated to protect aga stomach upset, irritation and damag

Other ads in professional journals w headlined: " . . . more cardiologists, w concerned about aspirin irritation, r ommend Ecotrin over Bayer aspir NAD recommended the comparat claims be modified since side-by-s clinical testing hadn't been provided the stomach upset claim and because cardiologist survey was interpreted broadly in the headline. SmithKline d greed, but agreed to clarify the pro sional journal ad if it's used again. company said it had already told Ster it would modify Bayer references.

Claims substantiated:

North American Philips Co (Norelco 950 RX men's electric raz D'Arcy Masius Benton & Bowl Challenged by the Metropolitan Ho ton Better Business Bureau for a spot depicting the action of the raz lift and cut system, Philips was abl substantiate the illustration.

Glidden Co. (paint; Meldrum & Fe smith, Cleveland): Sherwin-Willia Co. challenged and NAD substantia Glidden's claim: "Over the past years, more people have switched Glidden than any other paint." □

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Entrees

(Continued from Page 20)

couldn't be two national players."

Although Kraft General Foods had been marketing Impromptu Lite, a low-calorie, low-sodium and low-cholesterol version, in some test markets, it's believed the Kraft Microwave Entrees rollout won't feature a light variety initially.

The new line has nine varieties, mostly mainstream items such as lasagna and salisbury steak.

Kraft General Foods wouldn't discuss ad plans, but it's believed the company will stick close to its test-market campaign for Impromptu. That campaign, showing a woman popping the dinner into a microwave oven, was tagged "The simple solution."

The company also is said to be planning local promotions such as the one it began in Phoenix, Ariz., last February.

That effort offered local retailer tie-ins, live commercials broadcast from stores, sampling events and a "Mystery Shopper" contest.

Kraft General Foods spent about $1.7 million in measured media on the product last year, LNA/Arbitron reported. □

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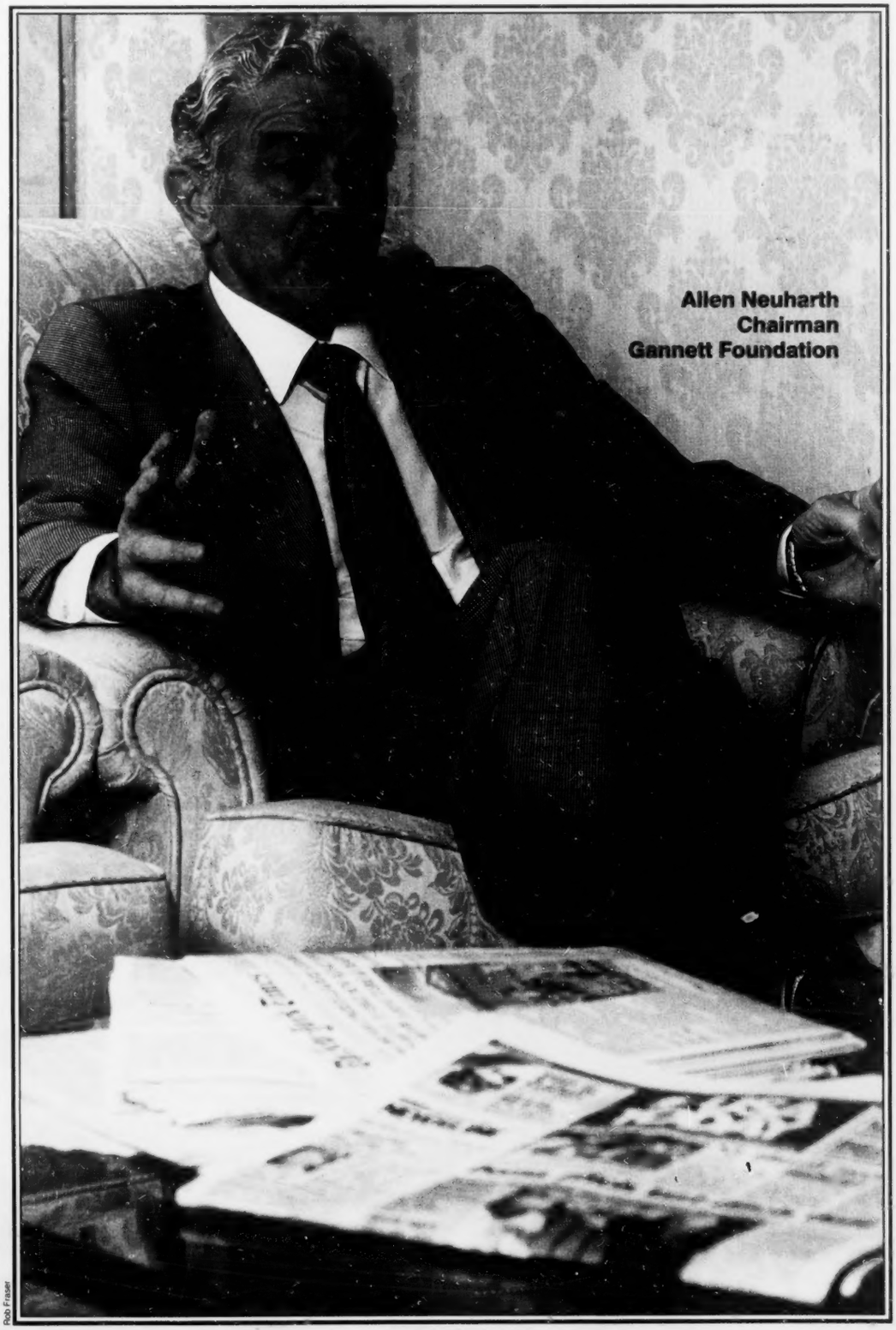
Ad slump is temporary—Neuharth



Allen Neuharth
Chairman
Gannett Foundation

Rob Fraser

Bright spots are in Europe, Asia; 'I plead guilty to going first class'

ONE ON ONE

Allen Neuharth stepped down as chairman of Gannett Co. 18 months ago, ending a 26-year career at the company that owned 16 newspapers when he arrived, 87 when he retired. Since then, he's served as chairman of the Gannett Foundation, a charitable organization that serves journalism education.

He's also authored a best-selling autobiography, "Confessions of an S.O.B."

Mr. Neuharth, 66, recently talked to Advertising Age *Washington Bureau Chief Steven W. Colford about the state of the print media.*

Advertising Age: *What do you make of the shakeout in publishing, especially magazines?*

Mr. Neuharth: Magazines can get hot quickly on hype and stay hot for a while, but they cool off unless they develop a reader loyalty. And I think it takes five to 10 years for print products to develop a reader loyalty where you can say the franchise is no longer fragile.

If during that period of fragility you run into economic problems, then you are more likely to go belly up than if you

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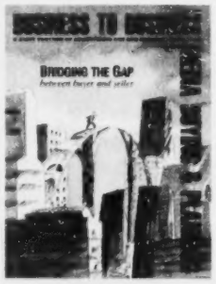

- **Business to Business:** Exclusive *Ad Age/Business Marketing* special issue shows business budgets tightening and tensions rising between media buyer and seller. We also interview the most important media buyers in 14 key business-to-business categories, revealing the issues and trends in buying business media.

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L.A. Gear looking

No. 3 shoe marketer seeks agency

By Marcy Magiera

L.A. Gear, once adamantly opposed to hiring an outside agency to create its ads, is now talking to agencies about the creative portion of its $68 million advertising and promotion account.

Agencies believed to have been approached are BBDO Worldwide, Los Angeles; Chiat/Day/Mojo, Venice, Calif; and Goldberg Moser O'Neill and Goodby, Berlin & Silverstein, both San Francisco.

Hiring an agency would seem out of character for L.A. Gear's flamboyant co-founder and Exec VP Sandy Saemann. Mr. Saemann has single-handedly directed L.A. Gear's marketing functions, serving as copywriter and creative director for the company's ads and director for its TV commercials since it was founded in 1983.

But Mr. Saemann's hold on L.A. Gear's marketing may be relaxing. To pull together L.A. Gear's loose-knit marketing department, Mr. Saemann earlier this month hired Michael Albright, 34, as creative director.

Last month, he named Gary Patrick VP-advertising and promotion. Mr. Patrick was formerly senior VP-management representative at Vitt Media, L.A. Gear's media buying service.

Mr. Albright, who still holds a principal position in Los Angeles creative boutique Albright/-Labhart, is heading L.A. Gear's search for an advertising agency. He was in Utah last week shooting TV commercials featuring Utah Jazz basketball player Karl Malone for L.A. Gear's new Catapult shoe.

S. Saemann

L.A. Gear executives refused to comment. Watts & Sedler, Los Angeles, is acting as a consultant in the review.

The No. 3 athletic shoe marketer behind Nike and Reebok, L.A. Gear has taken a beating on Wall Street because sales are up but earnings are down.

L.A. Gear's sales for the first three quarters of fiscal 1990 rose 58% to $712 million, vs. the same period a year earlier, and the company increased its share of the $5 billion branded athletic shoe market to 13% to 15%, from 11% at the end of 1989.

But L.A. Gear has sacrificed profit for volume. Earnings for the first three quarters of 1990 dropped 11.5% to $38.4 million.

Company sources say Mr. Saemann is looking for an agency with the creative firepower to compete with No. 1 Nike's ads from Wieden & Kennedy, Portland, Ore., and large enough to lend L.A. Gear some credibility on Wall Street.

L.A. Gear flirted with an agency once before. The company in 1986 hired Ogilvy & Mather, Los Angeles, but Mr. Saemann severed that relationship after several weeks.

Meanwhile, L.A. Gear's relationship with Vitt also may be subject to change. Mr. Patrick, said in an earlier interview that he plans to review L.A. Gear's media buying and its international account (AA, Sept. 10).

Saatchi & Saatchi DFS/Pacific, Torrance, Calif., handles L.A. Gear's estimated $7 million international account. □

Cleveland Horton contributed to this story.

'Men's Life' stops

By Scott Donaton

Murdoch Magazines has suspended publication of its much-hyped *Men's Life* after publishing just one issue.

Leslie Hinton, president of the News Corp. division, said in a statement issued late last week that reader response to the first issue was "very encouraging." But, he said, "it will take time to build the necessary circulation and advertising, and it is too costly to go ahead in the present economic environment."

Men's Life Publisher Leo Scullin said the magazine's staff of about 10 full-time employees, "received their two weeks' notice" last week. He said that he and Publication Director-Editor in Chief Barry Golson signed one-year contracts last March and plan to "stay around and see what we can do."

"We needed to invest heavily in [*Men's Life*] to make it go, but the economy is not on our side," Mr. Scullin said. "From the day we opened our doors, it just never got better."

A publishing industry source estimates Murdoch Magazines spent $7 million to $10 million on the magazine.

Messrs. Scullin and Hinton said Murdoch Magazines plans to relaunch *Men's Life* when the economy rebounds but declined to speculate on the timing.

Men's Life is the second casualty in the months-old men's magazine war. *Men*, a magazine being developed by *Cook's* founder Christopher Kimball, was sold and folded into Owen Lipstein's *Smart* in September before it ever published an issue.

Rupert Murdoch's highly leveraged media empire has been under growing pressure in recent months to reduce its debt burden, estimated at more than $8 billion. Murdoch Magazines this year already pulled the plug on a planned video system for beauty salons and *Eyewitness*, a weekly magazine being developed by former *US* and *Self* Editor Anthea Disney.

Despite "very encouraging" reader response, *Men's Life* ceased publication last week after only one issue.

Rumors making the rounds in the publishing industry in recent weeks had Murdoch shopping its monthly *Premiere* and pulling the plug on *Men's Life*. Company executives have denied *Premiere* is on the selling block.

Men's Life's first and only issue, dated October/November, earned decent reviews from media buyers and publishing industry observers, who seemed surprised by its early demise.

"That probably says more about News Corp. than it says about *Men's Life*," said Daniel McNamee, president of McNamee Consulting, who said he thought the first issue was "terrific."

"Everybody's been talking about the fact that News Corp. is under debt pressure, and I guess they're just not in a position to invest in a new venture," he said. "Start-ups require a lot of money."

Men's Life was the brainchild of Mr. Golson, who developed the magazine—aimed at the "upper end of the baby-boom generation"—while executive editor of *Playboy*. After Playboy Enterprises decided against launching it, he sold the idea to Murdoch Magazines earlier this year.

Mr. Scullin, former senior VP-director of print relations for Young & Rubicam, New York, said he was happy with the results of the first issue, which he said sold 250,000 newsstand copies after six weeks on the racks and attracted more than 10,000 subscribers. The magazine's rate base was 250,000.

But *Men's Life* failed to excite advertisers. The first issue carried a little less than 30 ad pages and the second issue, which closed to advertisers earlier this month, sold a little more than 30 ad pages, Mr. Scullin said.

He said earlier plans called for the magazine, launched as a quarterly, to be published monthly next year.

Men's Life was one of a slew of new men's magazines launched this year. The others include Conde Nast Publications' revamped monthly *Details; M Inc.*, a monthly produced by the merger of Capital Cities/ABC's *M* and *Manhattan,inc.*; and *Forbes FYI*, a quarterly lifestyle spinoff of the business magazine.

In addition, *Smart* will be relaunched in January as *Smart for Men*, published 10 times a year. Jann Wenner's Straight Arrow Publications is planning an as-yet-untitled men's magazine for a fall 1991 launch. □

FALL 1990

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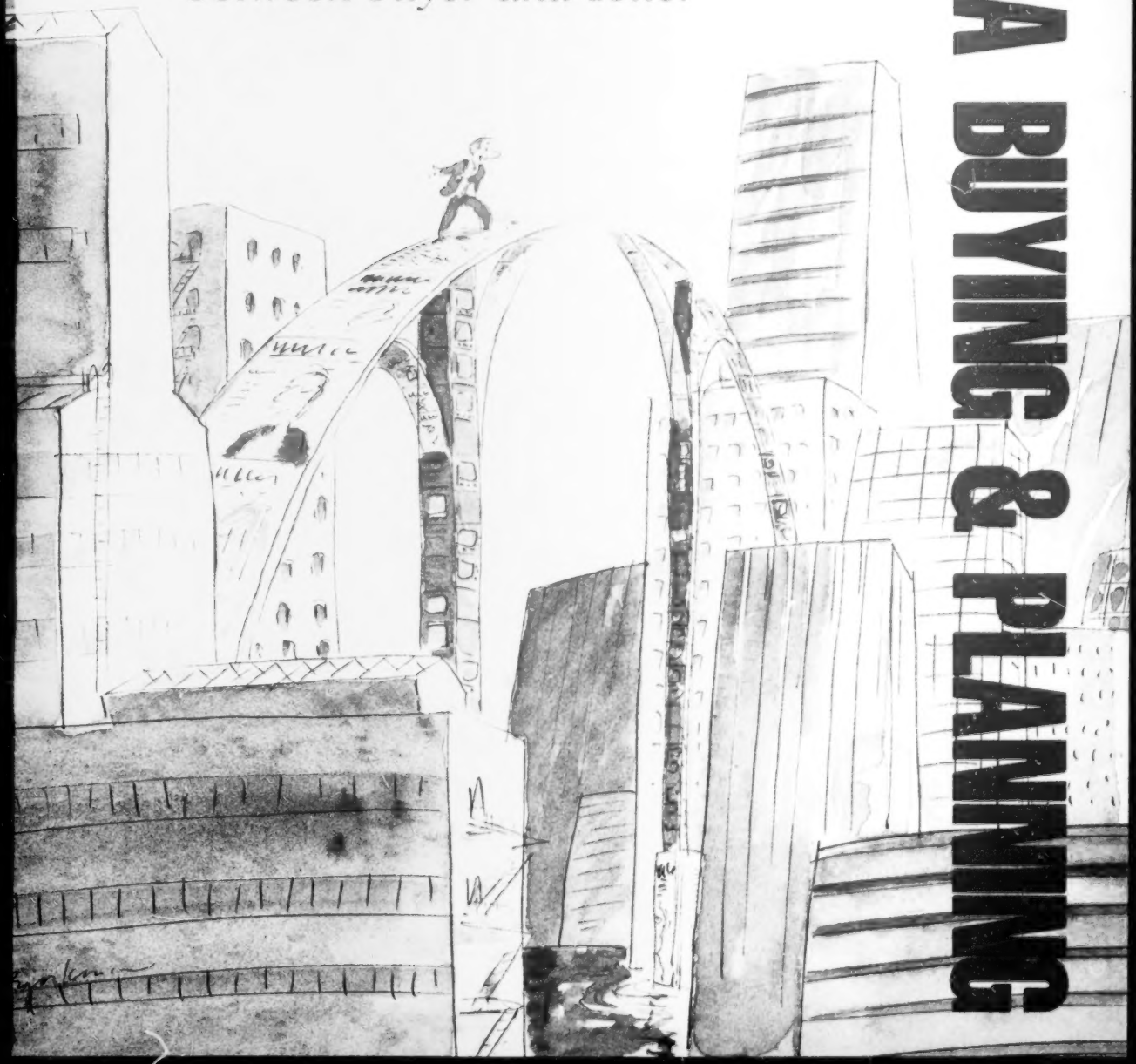

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